



UTILITIES DEPARTMENT  
DIVISION OF WATER & GAS  
CITY OF DANVILLE, VIRGINIA



## NATURAL GAS RATE SCHEDULES & RIDERS

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Rate Schedules Revised: June 27, 2005  
Rates Established by City Ordinance No. 2005-05.01

Stated rates are effective for bills issued August 1, 2005 and after for monthly-billed accounts and for bills issued September 1, 2005 and after for bi-monthly-billed accounts.

## **Rate Making Authority**

Virginia Code Title 15.2, Chapter 21 authorizes local governments to operate public utilities.

The Danville City Council establishes utility rates, as authorized in City Code Chapter 2.

Code Chapter 2, Section 2-285 assigns to the Danville Utility Commission the responsibility for establishing such policies as non-consumption utility fees, utility extensions, service connection fees, and other general service policies not designated to the City Council, City Manager, or Assistant City Manager for Utilities. Policies and procedures pertaining to standards and services are maintained in separate documents.

City Code Chapter 38, Utility Services, governs provision of utility services by the Danville Utilities Department.

Utility rates and charges are subject to change. Current copies of rate schedules are maintained at the Danville Public Library, 511 Patton Street, Danville, Virginia, in the City Clerk's Office, 4<sup>th</sup> Floor, Danville Municipal Building, 427 Patton Street, and on the internet via <http://www.danvilleutilities.com>.

Services of the Danville Utilities Department shall be applied fairly and consistently without regard to the customer's race, color, creed, sex, national origin or marital status.

## **Definitions**

All terms used herein are considered to have common public utility application. They are neither unique to the City of Danville, nor are they meant to be subjected to precise scientific definition.

City – The City of Danville, Virginia.

City Gate – The facility at which the Utility receives delivery of natural gas from the Transcontinental Pipeline.

Commodity Charge – The charge per therm of natural gas delivered to a customer.

Consumption – The amount of service used over a given period of time as measured by a meter.

Cubic Foot – The unit of natural gas volume measured by a customer meter.

Customer – The individual, firm, or organization that purchases service at a specific location under a specific rate classification, contract, or rate schedule.

Customer Charge – The established fixed fee necessary to cover meter reading, billing, and other general service costs.

Customer Class – Specified category determined by the nature of the customer's operations and type of service required.

Firm – Gas distribution service that does not anticipate interruptions other than during emergencies.

Interruptible – Gas distribution service that anticipates and permits interruption on short notice.

Month - Not a calendar month, but instead the interval between successive regular meter reading dates. This can range from 26 to 35 calendar days for Customers billed on monthly cycles and 56 to 65 calendar days for those billed on a bi-monthly basis.

Therm – The unit of natural gas measurement used for billing purposes that takes into account not only volume, or cubic feet of gas consumed, but also the energy or heat content of the gas as determined by its chemical qualities.

Transco – The Transcontinental Pipeline, the natural gas pipeline that supplies the City of Danville. Williams, owner of Transco, provides gas transportation services to the City.

Transportation Charge – The charge per therm to transport natural gas to a customer's meter.

Utility – Refers to the City of Danville Utilities Department, or any division thereof.

**Schedule 10**  
(Formerly Schedule 1)  
**Residential Gas Service**

**APPLICABILITY:** Individually metered dwelling units.

**MONTHLY RATE:** Customer Charge    \$10.00

Commodity Charge    \$ 0.16050 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The charges specified in the monthly rate will be subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider. Which is incorporated herein by reference.

**SPECIAL COST RECOVERY:** The charges specified in the monthly rate will be subject to the Special Cost Recovery Rider, which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the "Miscellaneous Services" listing included in these Rate Schedules.

**BI-MONTHLY BILLING:** The Utility shall have the option of reading meters monthly or bi-monthly and rendering bills accordingly.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof shall be subject to a monthly therm factor adjustment as set forth in the "Therm Factor Rider."

**TERM OF SERVICE:** Continuous until Customer notice.

**Schedule 20**  
(Formerly Schedule 2)  
**Firm Commercial Gas Service**

**APPLICABILITY:** All firm commercial service customers.

**MONTHLY RATE:** Customer Charge: \$20.00

Commodity Charge: First 5,000 therms \$0.16050 per therm

Over 5,000 therms \$0.15500 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The charges specified in the monthly rate will be subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**SPECIAL COST RECOVERY:** The charges specified in the monthly rate will be subject to the Special Cost Recovery Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider. Which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the "Miscellaneous Services" listing included in these Rate Schedules.

**BI-MONTHLY BILLING:** The Utility shall have the option of reading meters monthly or bi-monthly and rendering bills accordingly.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof shall be subject to a monthly therm factor adjustment as set forth in the "Therm Factor Rider."

**SPECIAL PROVISIONS:** Customers that switch from firm sales service to any other service are subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.

**TERM OF SERVICE:** Customers must remain on this rate schedule for a period of no less than 12 months before switching service unless it is determined by the City that the customer no longer qualifies for this service.



**Schedule 25**  
(Formerly Schedule 6)  
**Interruptible Commercial Gas Service**

**APPLICABILITY:** For any commercial class of customer using not less than 15,000 therms per month as averaged over the previous 12 months who will contract for service subject to the Special Provisions contained herein, where the Utility has gas delivery capacity in excess of the requirements of customers taking service under a firm rate schedule. The Customer pays a Customer Charge, plus charges for natural gas delivered at either the Regular Rate or the Competitive Fuel Rate, both appropriately modified by the Purchased Gas Adjustment.

**MONTHLY RATE:**

Customer Charge:	\$350.00
Regular April - October Rate:	First 15,000 therms      \$0.10525 per therm All over 15,000 therms      \$0.05850 per therm
Regular November - March Rate:	First 15,000 therms      \$0.11025 per therm All over 15,000 therms      \$0.06350 per therm
Competitive Fuel Rate:	Rate comparable to as-fired cost of the alternate fuel that would have been used by the Customer in lieu of natural gas.

Whenever the Customer's monthly as-fired cost of the alternate fuel to replace natural gas would be less than the cost of natural gas provided by the Utility at the Regular Rate, the Customer will so advise the Utility in writing, with supporting documentation, by the twenty-fifth (25th) of the calendar month. By the last calendar day of the month receiving such notice, the Utility will notify the Customer whether it will

- a. Lower the price of natural gas to be competitive with the as-fired cost of the alternate fuel and deliver gas, or
- b. Suspend service on a day-to-day basis for the next calendar month.

In the event the Utility elects to lower the cost to be competitive with the alternate fuel, the Customer may not discontinue the purchase of natural gas hereunder for the affected month. In no event will the Competitive Fuel Rate exceed the cost of the Regular Rate.

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The charges specified in the monthly rate will be subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider. Which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the "Miscellaneous Services" listing included in these Rate Schedules.

**CHARACTER OF SERVICE:** Provision of natural gas subject to curtailment or discontinuance at the sole discretion of the Utility. The Utility will take reasonable efforts to provide adequate notice so as to minimize disruption of the customer's operations. However, in any event, such notice shall not be less than one hour.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof shall be subject to a monthly therm factor adjustment as set forth in the "Therm Factor Rider."

**SPECIAL PROVISIONS:** Gas purchased on this schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any schedule.

Customers receiving service under this schedule shall have adequate standby fuel and equipment available for use as needed. Alternative fuel equipment shall be fully operational at all times. The Customer shall be able to shift from Utility-supplied natural gas to alternative fuel without significant negative impact on its operations or workforce.

Customers that switch from firm sales service to any other service are subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.

If Customer's average monthly consumption falls below 15,000 therms for three consecutive months, the customer will be considered as no longer qualified for this service.

In the event customer fails to discontinue use of gas after notice from the Utility, all gas so used shall be considered as unauthorized and the Customer will be charged all costs incurred by the Utility as calculated at the sole discretion of the Utility.

**TERM OF SERVICE:** Customers must remain on this rate schedule for a period of no less than 12 months before switching service unless it is determined by the City that the customer no longer qualifies for this service.

**Schedule 30**  
(Formerly Schedule 3)  
**Firm Industrial Gas Service**

**APPLICABILITY:** All firm industrial class customers

**MONTHLY RATE:** Customer Charge: \$100.00

Commodity Charge: First	5,000 therms	\$0.16050 per therm
Next	95,000 therms	\$0.15500 per therm
All over 100,000 therms		\$0.11000 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The charges specified in the monthly rate will be subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**SPECIAL COST RECOVERY:** The charges specified in the monthly rate will be subject to the Special Cost Recovery Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider. Which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the "Miscellaneous Services" listing included in these Rate Schedules.

**BI-MONTHLY BILLING:** The Utility shall have the option of reading meters monthly or bi-monthly and rendering bills accordingly.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof shall be subject to a monthly therm factor adjustment as set forth in the "Therm Factor Rider."

**SPECIAL PROVISIONS:** Customers that switch from firm sales service to any other service are subject to a stranded cost adjustment to their bill. This charge will be based upon, but not limited to, their usage characteristics, related supply requirements, related pipeline demand/reservation charges, stranded distribution investment and other related stranded costs created by the switching of service.

**TERM OF SERVICE:** Customers must remain on this rate schedule for a period of no less than 12 months before switching service unless it is determined by the City that the customer no longer qualifies for this service.

**Schedule 40**  
(Formerly Schedule 4)  
**Interruptible Industrial Gas Service**

**APPLICABILITY:** Any industrial customer that contracts for service subject to the Special Provisions contained herein, where the Utility has gas delivery capacity in excess of the requirements of customers taking service under a firm rate schedule. The Customer pays for natural gas delivered at either the Regular Rate or the Competitive Fuel Rate.

**MONTHLY RATE:** Customer Charge:       \$350.00

Regular Rate:                   \$0.06500 per therm

Competitive Fuel Rate: Rate comparable to as-fired cost of  
the alternate fuel that would have  
been used by the Customer in lieu of  
natural gas.

Whenever the Customer's monthly as-fired cost of the alternate fuel to replace natural gas would be less than the cost of natural gas provided by the Utility at the Regular Rate, the Customer will so advise the Utility in writing with supporting documentation by the twenty-fifth (25th) of the calendar month. By the last calendar day of the month receiving such notice, the Utility will notify the Customer whether it will

- a. Lower the price of natural gas to be competitive with the as-fired cost of the alternate fuel and deliver gas, or
- b. Suspend service on a day-to-day basis for the next calendar month.

In the event the Utility elects to lower the cost to be competitive with the alternate fuel, the Customer may not discontinue the purchase of natural gas hereunder for the affected calendar month. In no event will the Competitive Fuel Rate exceed the cost of the Regular Rate.

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The charges specified in the monthly rate for the Regular Rate will be subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider. Which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the "Miscellaneous Services" listing included in these Rate Schedules.

**CHARACTER OF SERVICE:** Provision of natural gas subject to curtailment or discontinuance at the sole discretion of the Utility. The Utility will take reasonable efforts to provide adequate notice so as to minimize disruption of the customer's operations. However, in any event, such notice shall not be less than one hour.

**SPECIAL PROVISIONS:** Gas purchased on this schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any schedule.

Customers receiving service under this schedule shall have adequate standby fuel and equipment available for use as needed. Alternative fuel equipment shall be fully operational at all times. The Customer shall be able to shift from natural gas to alternative fuel without significant negative impact on its operations or workforce.

In the event customer fails to discontinue use of gas after notice from the Utility, all gas so used shall be considered as unauthorized and the Customer will be charged all resulting costs incurred by the Utility as calculated at the sole discretion of the Utility, in addition to the Customer and Transportation Charges for gas used.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof shall be subject to a monthly therm factor adjustment as set forth in the "Therm Factor Rider."

**TERM OF SERVICE:** As mutually agreed upon between Customer and Utility, but not less than one year.

**Schedule 50**  
(Formerly Schedule 5)  
**Firm Industrial Transportation Gas Service**

**APPLICABILITY:** This rate schedule shall be available to any industry located on City of Danville's distribution system to the extent that Utility has adequate facilities available for transporting and delivery of such volumes of gas required.

**MONTHLY RATE:** Customer Charge: \$350.00

Transportation Charge: \$0.06000 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider. Which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the "Miscellaneous Services" listing included in these Rate Schedules.

**CHARACTER OF SERVICE:** Delivery of natural gas by the Utility under this rate schedule shall be on a firm basis only to the extent of firm transport capacity obtained directly by the Customer and delivered to Utility's City Gate on a daily basis. The Utility reserves the right under this rate schedule to interrupt or discontinue quantity of service required by the Customer that exceeds Customer's firm transport capacity at any time whatsoever and to the extent necessary such interruption, in the sole judgment of Utility, may be required. The Utility will take reasonable efforts to provide adequate notice so as to minimize disruption of the customer's operations. However, in any event, such notice shall not be less than one hour.



**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof shall be subject to a monthly therm factor adjustment as set forth in the "Therm Factor Rider."

**SPECIAL PROVISIONS:** Gas transported on this schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any other rate schedule.

The Customer and Utility will operate within the guidelines required by Transco, the Utility's natural gas transporter.

The Customer shall inform the Utility of the anticipated consumption level and the volume requested for delivery by 10:00 AM of the working day prior to the day the gas is to be delivered. At that time, the Utility shall inform the Customer of any restrictions on the volume requested for delivery.

The Customer shall make all necessary arrangements and contact affected parties for securing delivery of Customer-owned gas to the city gate.

On occasion, the Utility may need to interrupt service under this rate schedule to avoid penalty or other charges from its supplier. Prior to such interruptions, the Customer will be given the option of agreeing to reimburse the Utility for actual expenses levied to avoid disruption of service. In the event Customer elects curtailment, but fails to discontinue use of gas one hour after notice from Utility, all gas so used shall be considered as unauthorized

**BALANCING OF TRANSPORTATION VOLUMES:** Daily balancing is mandatory for all customers under this rate schedule. It shall be Customer's responsibility to bring its supply and requirements into balance.

The Customer's daily imbalance shall be equal to the difference between the volume of gas actually received on a day at the Utility's City Gate by or on behalf of the Customer (Daily Receipts) and the Customer's actual usage as determined from daily meter readings at the customer's meter (Daily Deliveries), and shall not exceed 10% of Daily Receipts. The Customer's monthly imbalance is determined by totaling the daily imbalances for the calendar month and shall not exceed 5% of gas received on customer's behalf for the calendar month (Monthly Receipts).

A Daily Underdelivery shall be deemed to occur whenever Daily Receipts are less than Daily Deliveries. A Monthly Underdelivery shall be deemed to occur whenever Monthly Receipts are less than Monthly Deliveries (the total of Daily Deliveries for the calendar month). When an Underdelivery occurs, additional gas used by the Customer will be provided by the Utility if available supply and capacity permits. Daily Underdeliveries

exceeding 10% of Daily Receipts and Monthly Underdeliveries exceeding 5% of Monthly Receipts shall be billed to Customer at the Utility's Firm Industrial Rate.

A Daily Overdelivery shall be deemed to occur whenever Daily Receipts are greater than Daily Deliveries. A Monthly Overdelivery shall be deemed to occur whenever Monthly Receipts are greater than Monthly Deliveries. When an overdelivery occurs, gas may be held in Utility's system if volume parameters permit. Daily Overdeliveries exceeding 10% of Daily Receipts and Monthly Overdeliveries exceeding 5% of Monthly Receipts will be purchased by the Utility at Utility's lowest cost of gas for the calendar month less \$0.01 per therm.

Any associated expenses incurred by the Utility due to Customer's Underdeliveries or Overdeliveries, shall be billed on a pro rata basis to the Customer. Charges for Underdeliveries or Overdeliveries are in addition the charges for the regular Monthly Rate.

In allowance for losses on the Utility's distribution system, the amount of gas billed for transportation from the City Gate to the Customer's meter shall be the volume measured at the Customer's meter plus one percent (1.0%).

**TERM OF SERVICE:** As mutually agreed upon between Customer and Utility, but not less than one year.

**Schedule 55**  
(Formerly Schedule 5a)  
**Interruptible Industrial Transportation Gas Service**

**APPLICABILITY:** This rate schedule shall be available to any industry located on City of Danville's distribution system to the extent that Utility has adequate facilities available in excess of the requirements of customers taking service under a firm rate schedule for transporting and delivery of such volumes of gas required.

**MONTHLY RATE:**

Customer Charge:     \$350.00

Transportation Charge: First 150,000 therms     \$0.06500 per therm  
All Over 150,000 therms \$0.06250 per therm

**MINIMUM CHARGE:** The minimum monthly charge shall be the Customer Charge.

**PURCHASED GAS ADJUSTMENT:** The charges specified in the monthly rate will be subject to the Purchased Gas Adjustment (PGA) Rider, which is incorporated herein by reference.

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider. Which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** A late payment charge of 1.5% will be applied to the balance of any account not paid within ten (10) days from the date due, or on or before the expiration date as shown on the bill rendered for gas service.

**RECONNECTION CHARGE:** There shall be a charge for reconnection of services terminated because of non-payment of bills in accordance with Section 38-52 of the City Code.

**MISCELLANEOUS SERVICE CHARGES:** Charges for additional services provided shall be made on the basis of the "Miscellaneous Services" listing included in these Rate Schedules.

**CHARACTER OF SERVICE:** Natural gas transported to the Customer is subject to curtailment or discontinuance at the sole discretion of the Utility. The Utility will make reasonable efforts to provide adequate notice so as to minimize disruption of the

customer's operations. However, in any event, such notice shall not be less than one hour.

**THERM FACTOR:** Meters registering in cubic feet or any denomination thereof shall be subject to a monthly therm factor adjustment as set forth in the "Therm Factor Rider."

**SPECIAL PROVISIONS:** Gas purchased on this schedule shall be separately metered and shall not be used interchangeably with firm gas purchased on any schedule.

Except when service is interrupted by the Utility, industrial customers electing service under this rate commit to utilize Utility-delivered natural gas.

The Customer and Utility will operate within the guidelines required by Transco, the Utility's natural gas transporter.

The Customer shall inform Utility of the anticipated consumption level and the volume requested for delivery by 10:00 AM of the working day prior to the day the gas is to be delivered. At that time, the Utility shall inform the Customer of any restrictions on the volume requested for delivery.

Customers receiving service under this schedule shall have adequate standby fuel and equipment available for use as needed. Alternative fuel equipment shall be fully operational at all times. The Customer shall be able to shift from Utility-supplied natural gas to alternative fuel without significant negative impact on its operations or workforce.

Gas delivered to the Utility on any given day, but not used by the Customer may be held in Utility's system if volume parameters permit and accounted for in accordance with Utility's balancing provisions. Any associated expenses incurred by Utility shall be billed to the Customer.

Additional gas used by the Customer in excess of that purchased by the Customer on any given day will be provided by the Utility if available supply and capacity permits and accounted for in accordance with Utility's balancing provisions. Expenses incurred by the Utility in the acquisition and transport of said additional gas shall be billed to the Customer.

In the event customer fails to discontinue use of gas after notice from the Utility, all gas so used shall be considered as unauthorized and the Customer will be charged all costs incurred by the Utility as calculated at the sole discretion of the Utility.

**BALANCING OF TRANSPORTATION VOLUMES:** Daily balancing is mandatory for all customers under this rate schedule. It shall be Customer's responsibility to bring its supply and requirements into balance.

The Customer's daily imbalance shall be equal to the difference between the volume of gas actually received on a day at the Utility's City Gate by or on behalf of the Customer (Daily Receipts) and the Customer's actual usage as determined from daily meter readings at the customer's meter (Daily Deliveries), and shall not exceed 10% of Daily Receipts. The Customer's monthly imbalance is determined by totaling the daily imbalances for the calendar month and shall not exceed 5% of gas received on customer's behalf for the calendar month (Monthly Receipts).

A Daily Underdelivery shall be deemed to occur whenever Daily Receipts are less than Daily Deliveries. A Monthly Underdelivery shall be deemed to occur whenever Monthly Receipts are less than Monthly Deliveries (the total of Daily Deliveries for the calendar month). When an Underdelivery occurs, additional gas used by the Customer will be provided by the Utility if available supply and capacity permits. Daily Underdeliveries exceeding 10% of Daily Receipts and Monthly Underdeliveries exceeding 5% of Monthly Receipts shall be billed to Customer at the Utility's Firm Industrial Rate.

A Daily Overdelivery shall be deemed to occur whenever Daily Receipts are greater than Daily Deliveries. A Monthly Overdelivery shall be deemed to occur whenever Monthly Receipts are greater than Monthly Deliveries. When an overdelivery occurs, gas may be held in Utility's system if volume parameters permit. Daily Overdeliveries exceeding 10% of Daily Receipts and Monthly Overdeliveries exceeding 5% of Monthly Receipts will be purchased by the Utility at Utility's lowest cost of gas for the calendar month less \$0.01 per therm.

Any associated expenses incurred by the Utility due to Customer's Underdeliveries or Overdeliveries, shall be billed on a pro rata basis to the Customer. Charges for Underdeliveries or Overdeliveries are in addition the charges for the regular Monthly Rate.

In allowance for losses on the Utility's distribution system, the amount of gas billed for transportation from the City Gate to the Customer's meter shall be the volume measured at the Customer's meter plus one percent (1.0%).

**TERM OF SERVICE:** As mutually agreed upon between Customer and Utility, but not less than one year.

### **Miscellaneous Services**

Danville Utilities provides a variety of services at the customer's request. Services are charged on the basis of the following fees:

<u>Miscellaneous Services</u>	<u>Fees</u>
Bad Check Charge	\$ 25.00
Service Initiation Fee	--
Collection Fee	--
Billing Analysis Service Charge	\$ 15.00
Processing of Delinquent Account	\$ 20.00
Late Payment Charge	1.5% per Month
Security Deposit	2 x Average Month's Bill

<u>Gas Services</u>	
Turn On Gas - After Hours	\$ 26.00
Turn On Gas	\$ 26.00
Gas Service Call - After Hours	\$ 26.00
Turn On Gas Service - Non-Pay	\$ 10.00
Reconnect Charge Within 12 Months	
Customer Has Flex & Cut Off 3/4	\$ 29.00
Customer Has 3/8 Flex & Cut Off	\$ 17.00
Connect Range	\$ 29.00
Thermocouple Installation	\$ 22.00
Thermocouple Installation - After Hours	\$ 30.00
Installed 3/4 Inch Flexible Connection	\$ 49.00
Installed 3/8 Inch Flexible Connection	\$ 28.00
Lighting Pilot	\$ 10.00
Lighting Pilot - After Hours	\$ 26.00
Servicing Gas Lights	\$ 22.00
Turn On Gas Meter Seasonal - Residential	\$ 16.00
Turn On Gas Meter Seasonal – After Hours	\$ 26.00

**LOCAL TAX ADJUSTMENT:** This rate is subject to the Local Tax Adjustment Rider. Which is incorporated herein by reference.

**LATE PAYMENT CHARGE:** Unless bill is paid within 10 days from due date, or on or before expiration date as shown on bill, 1.5% will be added to the amount of the bill.

### **Purchased Gas Adjustment (PGA) Rider**

**APPLICABILITY:** To all customers billed on any rate schedule on which reference to the Purchased Gas Adjustment (PGA) Rider is made.

**PURCHASED GAS ADJUSTMENT:** The PGA Rider shall be applied per therm as follows:

For Firm Supply Service:  $PGA^F = (SC + CF) / (1 - L) + T$   
(Schedules 10, 20, and 30)

For Interruptible Supply Service:  $PGA^I = (SC + CI) / (1 - L)$   
(Schedules 25 and 40)

For Transportation Service:  $PGA^T = CT$   
(Schedule 55)

Where:

SC = Supply Cost

SC = R + F + V

R = Index Rate

F = Fuel Charges

V = Volumetric Transportation Charges

CF = Firm Capacity Cost

CI = Interruptible Capacity Cost

CT = Interruptible Transportation Capacity Cost

L = Loss Factor

$L = (P - S) / P$

P = Purchases of Gas

S = Sales of Gas

T = True-Up Factor



Supply Cost --  $SC = R + F + V$ : The Supply Cost component shall be applicable to all firm and interruptible customers and subject to adjustment by the Loss Factor described below. The Supply Cost of natural gas shall be priced at an Index Rate, plus Fuel Charges and Volumetric Transportation Charges, as specified in the Utility's gas supply management contract.

Index Rate -- R: The cost per therm of natural gas purchased by the Utility. The Index Rate is set in accordance with established Utility procedures.

Fuel Charges -- F: Losses of natural gas experienced by the Utility's supplier from the wellhead to the city gate that are charged by Transco to the Utility.

Volumetric Transportation Charges -- V: Per unit fees charged by Transco to the Utility for transportation of purchased natural gas from supply source to the city gate.

Interruptible Capacity Cost -- CI: Certain costs incurred by the Utility for purchased gas are related to interruptible service. Such costs shall be expressed as a per unit of delivered gas.

Interruptible Transportation Capacity Cost -- CT: Certain costs incurred by the Utility are related to interruptible transportation service for Customers that acquire their own gas supplies. Such costs shall be expressed as a per unit of delivered gas and shall be subject to adjustment for losses as set forth in the appropriate rate schedule.

Firm Capacity Cost -- CF: All costs of natural gas incurred by the Utility but not included in the Supply Cost, Interruptible Capacity Cost, or the Interruptible Transportation Capacity Cost components shall be included in the Firm Capacity Cost component APPLICABILITY to firm customers. Firm Capacity Cost shall be calculated as cost per unit of gas delivered to the city gate.

Loss Factor --  $L=(P-S)/P$ : Losses relate to the difference between gas purchased from suppliers by the Utility or independently by the Customers and gas delivered from the city gate to Customer meters. This factor represents the Utility's distribution system losses. These losses shall be allocated by the Loss Factor, or as otherwise set forth in the appropriate rate schedule. The Loss Factor is calculated as a 12-month rolling average.

Purchase of Gas -- P: Total volume of gas delivered to the city gate for sale or transport to the Utility's customers.

Sales of Gas -- S: Total volume of gas sold or delivered to the Utility's customers

True-Up Factor -- T: The differences between amounts paid by the Utility for purchased gas and costs recovered from Customers shall be accumulated in an Over/Under Recovery Account. A True-Up Factor necessary to balance this account will be calculated and periodically applied in billings. The True-Up Factor will either be an additional charge to firm customers (Schedules 1, 2, and 3) to make up for under collections, or a credit to firm customers to return funds for over collections. The True-Up Factor will be applied cautiously to avoid significant billing fluctuations.

The PGA and its above-described components shall be updated monthly and applied to customer billings in accordance with established Utilities Department procedures.

### **Therm Factor Rider**

**APPLICABILITY:** To all customers billed on any rate schedule in which reference to the Therm Factor Rider is made.

**THERM FACTOR:** Consumption measured on meters registering in cubic feet or any denomination thereof shall be subject to conversion to therms to account for both volume and energy or heat content of the natural gas. The monthly therm factor used by the Utility shall be calculated in accordance with established Utility procedures using information provided by Transco.

### **Special Cost Recovery Rider**

**APPLICABILITY:** To all customers billed on any rate schedule in which reference to the Special Cost Recovery Rider is made to pay for Utility expenditures authorized by the Danville City Council, including but not limited to capital improvements and the Gas Utility's budgeted contribution to the City's General Fund.

SPECIAL COST RECOVERY RATE:    \$0.0500 per therm

### **Local Tax Adjustment Rider**

When the City of Danville is or becomes liable to any political jurisdiction for any gross receipts tax, franchise tax, excise tax, privilege tax, use tax, or any other like charges against its real and/or personal property, or its operation, or its distribution of natural gas, or the amount of gas sold to or its revenues received from the sales of gas to the City's Customers within that jurisdiction, the amount of such tax, fee or charge shall be added, pro rata, to the bills of said Customers for gas service rendered within said jurisdiction. This process will thereby prevent Customers not taking service in said jurisdiction from being compelled to share such local taxes. Such tax adjustments shall be shown on the bills of Customers affected as "Tax Adjustment".

When a tax is levied on the Customer's consumption of natural gas by any governmental authority or political subdivision, it may be collected by the City and transferred to the appropriate body. This local excise tax shall be shown on the bills of Customers affected as "Consumer Tax".